

New York Daily News - <http://www.nydailynews.com>**Halliburton's Iraq oil deal axed**

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WASHINGTON - Democrats called for closer monitoring of U.S. spending in Iraq yesterday after the Pentagon ended Halliburton's no-bid oil contract.

"This action only highlights the need for an inspector general on the ground in Iraq," Rep. John Dingell (D-Mich.) said of the controversial contract with the Texas company formerly headed by Vice President Cheney.

Dingell also urged "tough scrutiny of Halliburton and its fairy godfather, Dick Cheney."

Sen. Hillary Clinton (D-N.Y.) said that taking the oil contract away from Halliburton "hopefully will end the exorbitant charges for the importation and distribution of gasoline."

Pentagon auditors last month found Halliburton subsidiary Kellogg Brown and Root was charging \$2.27 a gallon for gasoline imported from Kuwait, compared with \$1.18 for gas from Turkey.

The auditors estimated potential overcharges at \$61 million, and President Bush said last month Halliburton should repay the money if the costs were not justified.

The Pentagon announced Tuesday that it was ending Halliburton's \$2 billion no-bid oil delivery deal, and the job will be taken over by another Pentagon office.

Pentagon officials said the fuel delivery contract would be open to the competitive bids of other companies by the middle of the month.

But Halliburton will retain other contracts in Iraq worth up to \$3 billion to supply U.S. troops.

In a statement, Halliburton denied wrongdoing and said "the task of transporting fuel into Iraq was always understood by KBR to be temporary" in the emergency after the fall of Baghdad.

The company said it was relieved to be free of the oil contract because fuel delivery in Iraq "is dangerous for our people."

But Rep. Steve Israel (D-L.I.) said the no-bid Halliburton contract was "a ripoff waiting to happen. Only when they got caught did they choose to take action and end the contract."